

Message Text

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EXDIS - CAPE TOWN FOR EMBASSY

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TAGS: PFOR, UNSC, SF

SUBJECT: UK PRESENTATION ON NAMIBIA AND CHAPTER VII

1. UK CHARGE MORETON CALLED ON IO ASSISTANT SECRETARY-
DESIGNATE MAYNES MARCH 8 TO REVIEW,IN ADVANCE OF
CALLAGHAN'S VISIT, THE UK'S CONCERN WITH THE POSSIBILITY
THAT THE US MIGHT CONCUR IN A CHAPTER VII FINDING ON
NAMIBIA AND IN A RESOLUTION ON APARTHEID TO DISCOURAGE
FOREIGN INVESTMENT IN SOUTH AFRICA. MORETON'S SPEAKING
NOTES FOLLOW AT CLOSE OF THIS MESSAGE.

2. MORETON SAID LONDON HAS BEEN GETTING SLIGHTLY
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PAGE 02 STATE 051965

CONFLICTING SIGNALS FROM THE US ON CHAPTER VII. THE UK
IS BASICALLY SYMPATHETIC WITH ANY EFFORT TO DO MORE ON
THE SOUTHERN AFRICAN QUESTION, BUT THEY DID NOT FEEL
THAT MANDATORY ACTION AGAINST SOUTH AFRICA ON NAMIBIA
IS JUSTIFIED. THE UK'S MAIN CONCERN IS WITH ITS
ECONOMIC INVESTMENTS AND THE LIKELIHOOD THAT A CHAPTER
VII FINDING WILL LEAD TO EVENTUAL ECONOMIC SANCTIONS

AGAINST SOUTH AFRICA. IN RESPONSE TO MAYNES' QUESTION, MORETON AGREED THAT NAMIBIA IS AN INTERNATIONAL QUESTION AND THUS ARGUABLY SUSCEPTIBLE TO A CHAPTER VII FINDING.

3. ON CHAPTER VII AND NAMIBIA, MAYNES REPORTED THAT NO DECISION HAS BEEN MADE BY THE US AND THAT WE WILL CONSULT CLOSELY WITH THE BRITISH REGARDING OUR SECURITY COUNCIL POLICY. IN THIS REGARD, WE ARE STUDYING THE VARIOUS POSSIBLE RESOLUTIONS WHICH MIGHT BE PRESENTED, AND OUR RESPONSE. NOTING THE BRITISH CONCERN OVER MANDATORY ECONOMIC SANCTIONS, MAYNES STATED THAT OUR REPORTS FROM THE FIELD SUGGEST THAT NO ONE IS TALKING ABOUT ECONOMIC SANCTIONS AGAINST SOUTH AFRICA. WE HAVE HEARD REPORTS OF A CHAPTER VII MANDATORY ARMS EMBARGO. IN THIS CASE, THE UK AND OTHER WESTERN MEMBERS OF THE SECURITY COUNCIL ALREADY HAVE AN EFFECTIVE VOLUNTARY EMBARGO IN PLACE. THEY HAVE THE POLICY NOT THE CHAPTER VII DESCRIPTION. IN A DEBATE ON A MANDATORY ARMS EMBARGO, THE ARGUMENT WILL BE THAT THE PRESENCE OF 16,000 SOUTH AFRICAN TROOPS IN A TERRITORY WHICH IS A UN AND NOT A SOUTH AFRICAN RESPONSIBILITY, IS A THREAT TO INTERNATIONAL PEACE AND SECURITY.

4. ON APARTHEID, MORETON AGREED THAT THE UK MAY HAVE MISCONSTRUED WHAT SWEDEN HAS IN MIND IN A RESOLUTION ON NEW INVESTMENT. MAYNES POINTED OUT THAT THE SWEDES WANT A CHAPTER VI RESOLUTION DISCOURAGING NEW INVESTMENT AND NOT ONE WHICH IS MANDATORY OR WHICH SOMEHOW PROHIBITS RE-INVESTMENT. MAYNES SAID THERE SEEMS TO BE GENERAL

CONFIDENTIAL

PAGE 03 STATE 051965

AGREEMENT THAT LITTLE NEW OUTSIDE INVESTMENT IS TAKING PLACE. FOR EXAMPLE, BECAUSE OF THE UNCERTAIN POLITICAL AND SOCIAL SITUATION IN SOUTH AFRICA, THE GERMANS CLAIM THAT BANK RATES IN GERMANY ON NEW MONEY FOR SOUTH AFRICA ARE AT ALMOST PROHIBITIVE LEVELS. MORETON RESPONDED THAT THE UK MAY HAVE BEEN OPERATING UNDER A MISAPPREHENSION REGARDING THE SWEDISH RESOLUTION. HE DID NOT REBUT THE SUGGESTION THAT IT MIGHT BE A GOOD IDEA FOR WESTERN MEMBERS OF THE SC TO WORK WITH THE SWEDES TO INSURE A MODERATE RESULT.

5. FOLLOWING ARE MORETON'S SPEAKING NOTES:

BEGIN TEXT

1. OUR PRESENT BASIC POSITION IS THAT WE ARE OPPOSED TO MANDATORY ACTION AGAINST SOUTH AFRICA UNDER CHAPTER VII. WE DO NOT BELIEVE A DETERMINATION UNDER ARTICLE 39 OF THE CHARTER IS JUSTIFIED BY THE

FACTS OF THE SITUATION IN NAMIBIA AND EVEN LESS SO

IN SOUTH AFRICA WHERE THE THREAT TO THE PEACE, INsofar AS IT IS AN EXTERNAL THREAT AT ALL, IS A THREAT AGAINST, NOT BY SOUTH AFRICA. WE ALSO CONSIDER THAT AN ARTICLE 39 DETERMINATION, ONCE MADE, WOULD LEAD INEXORABLY TO MANDATORY ECONOMIC SANCTIONS WHICH WE CANNOT ACCEPT BECAUSE OF THE DAMAGE THEY WOULD DO TO OUR OWN ECONOMY: BECAUSE THEY WOULD BE UNLIKELY TO BRING ABOUT A QUICK CAPITULATION (SINCE EVEN IF THEY WERE UNIVERSALLY APPLIED, WHICH IS OPEN TO QUESTION, THE SOUTH AFRICANS HAVE PREPARED THEMSELVES WELL IN ADVANCE): AND BECAUSE THEY WOULD HURT THE NON-WHITE COMMUNITY AND NEIGHBORING COUNTRIES, PARTICULARLY LESOTHO, MORE THAN THE WHITE COMMUNITY IN SOUTH AFRICA.

2. CHAPTER VI ACTION AGAINST INVESTMENT WOULD BE LESS
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PAGE 04 STATE 051965

FAR-REACHING BUT IT WOULD REQUIRE A CHANGE (WHICH COULD ONLY BE MADE AT THE HIGHEST LEVEL) IN BRITISH POLICY WHICH IS THAT WE DO NOT PLACE RESTRICTIONS ON NORMAL TRADE AND INVESTMENT IN RELATION TO SOUTH AFRICA. MORE DETAILED ARGUMENTS AGAINST AN INVESTMENT BAN ARE:-

(I) THAT MOST NEW INVESTMENT BY FOREIGN-CONNECTED FIRMS IN SOUTH AFRICA IS FINANCED BY REINVESTED PROFITS: A REQUIREMENT ON FOREIGN PRINCIPALS TO SECURE REPATRIATION IN FULL OF PROFITS EARNED BY THEIR SOUTH AFRICAN AFFILIATES WOULD CREATE MAJOR PROBLEMS FOR GOVERNMENT AND INDUSTRY IN SEVERAL WESTERN COUNTRIES, ESPECIALLY THE UK, AND COULD BE READILY FRUSTRATED BY SOUTH AFRICA;

(II) THAT TRADE AND INVESTMENT ARE LINKED: A BAN ON INVESTMENT WOULD REDUCE OUR TRADE;

(III) THAT, TO BE EFFECTIVE, ACTION WOULD HAVE TO BE WATERTIGHT AND UNIVERSALLY APPLIED (WHICH IS UNREALISTIC IN THE LIGHT OF EXPERIENCE WITH RHODESIA SANCTIONS);

(IV) THAT THE PRESSURE THAT AN INVESTMENT BAN COULD APPLY WOULD NOT BE STRONG ENOUGH TO ENFORCE INTERNAL CHANGE IN SOUTH AFRICA, BUT WOULD MERELY RETARD GROWTH AND THUS RESTRICT FURTHER THE PROSPECTS FOR EMPLOYMENT BY NON-WHITES IN SOUTH AFRICA; AND

(V) THAT TO THE EXTENT THAT AN INVESTMENT BAN WAS EFFECTIVE, SOUTH AFRICA MIGHT BE DRIVEN TO SEEK ADDI-

TIONAL BALANCE OF PAYMENTS ASSISTANCE FROM THE IMF WHICH
WOULD POSE AN AWKWARD DILEMMA FOR WESTERN GOVERNMENTS
SUPPORTING THE BAN. END TEXT.
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